

Regular Meeting
Monday October 5, 2009
6:00 pm
Chowan County Public Safety Center
305 West Freemason Street

MINUTES

The Chowan County Board of Commissioners held their regular meeting on Monday, October 5, 2009, at 6:00 pm in the lobby of the Chowan County Public Safety Center, 305 West Freemason Street.

Present, Chairman Eddy Goodwin, Vice Chairman Emmett Winborne, Commissioner Jimmy Alligood, Commissioner Louis Belfield, Commissioner Kenny Goodwin, Commissioner Ralph Cole and Commissioner Keith Nixon. Staff Present: County Manager Peter Rascoe, Finance Officer Lisa Jones and Clerk to the Board Susanne Stallings.

Chairman Eddy Goodwin called the meeting to order and led the group in the pledge.

Commissioner Nixon then offered the invocation.

Public Comment

Chairman Goodwin then opened the floor to public comment in accordance with NCGS 153A-52.1. (there was none).

Consent Agenda

Chairman Goodwin then presented the consent agenda.

a. Tax Release and Collector's Report (attached)

Cotton, D.	\$195.24	SITUS Hertford Co.
Davis, C.	\$148.20	SITUS Ohio
Eckerman, T.	\$136.73	Moved prior to Jan 1 st
Lane, S.	\$1035.43	listed to parents
Ward, J.	\$132.23	Vehicle Sold
Eye C. of Edenton	\$1042.40	Over-statement of value per audit
Eye C. of Edenton	\$956.14	Over-statement of value per audit
Phelps, G.	\$141.03	Vehicle sold
Spruill, H.	\$330.75	Disabled veterans property tax exclusion

b. Minutes

Minutes of the September 14, 2009 Regular Meeting, and Executive Session minutes of July 30, 2009 to remain sealed.

c. Mental Health Fiscal Monitoring Report

Attached is Mental Health Fiscal Monitoring Report 3rd Quarter 2009, acknowledging receipt of this report as required by Statute.

d. Surplus

List of surplus property compiled by staff that in order to be liquidated through a county auction, must be declared surplus by a unanimous vote of the Board of Commissioners pursuant to NCGS 160 A – 266 (c) . The list of property is attached for the Board's consideration. The items will be listed for sale on the Gov Deals website.

Commissioner Kenny Goodwin asked if there were any other items not included on the list for the surplus auction.

Clerk, Susanne Stallings stated that some items previously approved by the Board are now ready for auction and will be listed.

e. BUDGET AMENDMENTS

BA-0910-61

3493	CDBG	\$14,644	Increase revenue from 2007 CDBG Scattered Site Housing Grant
4930	CDBG	\$14,644	Increase expense for CDBG administrative & rehabilitation costs associated with grant

Grant carryover, originally approved 1-9-08

BA-0910-62

3523	DJJDP	\$ 60	Decrease revenue from Dept of Juvenile Justice & Delinquency Prevention funding for Psychological Services due to State budget cuts
5230	DJJDP	\$ 60	Decrease expense for court ordered juvenile psychological assessments

BA-0910-63

3523	DJJDP	\$ 90	Decrease revenue from Dept of Juvenile Justice & Delinquency Prevention funding for Strengthening Families program provided by New Options Development Center due to State budget cuts
5230	DJJDP	\$ 90	Decrease expense for parent training

BA-0910-64

3523	DJJDP	\$ 2,005	Decrease revenue from Dept of Juvenile Justice & Delinquency Prevention funding for Intensive Supervision & Counseling services provided by Edenton-Chowan Schools due to State budget cuts
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5230	DJJDP	\$ 2,005	Decrease expense for interpersonal skill building and teen court
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BA-0910-65

3523	DJJDP	\$ 500	Decrease revenue from Dept of Juvenile Justice & Delinquency Prevention funding for Juvenile Crime Prevention Council/Chowan County interagency council due to State budget cuts
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5230	DDJDP	\$ 500	Decrease expense for JCPC council meetings
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BA-0910-66

3612	Recreation	\$ 840	Decrease revenue from Dept of Juvenile Justice & Delinquency Prevention funding After School Plus program provided by Chowan County Recreation Dept due to State budget cuts
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6131	Recreation	\$ 840	Decrease expense for travel/transportation for academic enhancement
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Being no further discussion on the consent agenda items, Commissioner Jimmy Alligood moved that the Board approve the consent agenda as submitted. Chairman Eddy Goodwin asked for all in favor, the motion passed unanimously (7-0).

Golden Leaf Community Assistance Initiative

At the Board's request, Patricia Cabe and Dan Gerlach presented information on Chowan County's upcoming eligibility for the Golden Leaf Community Assistance Initiative. Mr. Gerlach stated that Chowan County is eligible for \$2 million because it is a Tier I county. He said that prior to awarding the funds multiple public meetings will be held to discuss a potential project and get public input.

Ms. Cabe thanked the Board for inviting her to come. She provided the Board with a handout (a copy is in the meeting file labeled October 5, 2009) that describes the project eligibility requirements. She noted that most projects are focused on Economic Transition and Economic Development.

Chairman Goodwin asked the Board if they had any questions.

Commissioner Belfield and Ms. Cabe discussed scholarship opportunities for local youth.

Commissioner Winborne asked for examples of community Economic Development projects.

Ms. Cabe said that over 20 youth in Chowan County have received scholarships from Golden Leaf. She added that Davie County provided a grant for a Poultry Company which brought 100 jobs. And DRS in Elizabeth City.

Commissioner Cole noted the amount of money that the County receives is based on the plan it provides, but Chowan is only eligible for up to \$2 million.

Ms. Cabe said that is correct.

Commissioner Nixon asked when the Board will hear from Golden Leaf.

Mr. Gerlach said it will at least be one year, he said he plans to come before the public meetings begin.

Commissioner Nixon asked if the County's eligibility will change if the County changes Tiers.

Mr. Gerlach said that the Board chose to keep other counties on the list when their status changed.

Chairman Eddy Goodwin asked if the public had any questions of Golden Leaf, (there were none).

Internal Committee Reports

Planning/Enterprise Committee

Commissioner Keith Nixon noted that the Planning/Enterprise Committee did not meet in September, however an item recommended for advertisement in August, an offer of \$275,000 for real property located at 111 Virginia Road, has been advertised for the 10 day upset bid period.

Mr. Rascoe added that staff had not received any additional bids. He stated that staff in the Tax Department has reviewed comparable sales in the area and reports that the offer appears to be within fair market value. He then recommended that the full Board vote on the offer to include the due diligence contingencies as listed in the bidders offer.

Commissioner Nixon said the committee recommended running the offer but wanted the full Board to review and accept the offer.

Commissioner Kenny Goodwin noted there are environmental contingencies listed in the bidders offer. He asked if the time line in the offer is sufficient or would the buyer need more time to perform all site surveys.

Steven Benkusky, the bidder, stated he was not sure if the original request allowed enough time and requested an additional 30 days.

Commissioner Belfield moved that the Board accept the offer as presented, but amend the time frame to add 30 days for property evaluation.

Commissioner Kenny Goodwin stated that he thought at first the offer was too low, but after viewing the property and neighboring property environmental issues, and the

additional \$1 million to the tax base, he said he felt this was a good economic development tool.

Chairman Eddy Goodwin asked the bidder if he had plans for the building on the site.

Mr. Benkusky said he had several interested parties.

Being no further discussion, Chairman Eddy Goodwin asked for all in favor, the motion carried unanimously (7-0).

Human Services Committee

Commissioner Louis Belfield noted that the Human Services Committee met in September to review the eligibility requirements for insurance benefits for permanent part-time employees. He stated the Committee recommended a revision to the County Personnel Policy to require a minimum of more than 30 hour work week to be eligible for full health insurance benefits. The current requirement is more than 20 hours per work week.

Commissioner Kenny Goodwin said he felt the policy should require it be available to only 40 hour employees.

Commissioner Nixon noted the State policy is 30 hours.

Commissioner Alligood stated that his private employer has the same requirement and moved that the policy be amended as presented.

Chairman Eddy Goodwin asked for all in favor, the motion passed (5-2 K. Goodwin, Winborne)

Sub Finance Committee – Items

Commissioner Kenny Goodwin stated that the Sub Finance Committee met with Joe Scheib of Finistar and reviewed the County's investments with their company. He said he felt comfortable with the investments after the meeting. He asked that the clerk provide the Board with the handouts from the meeting.

External Board/Committee Reports

Chairman Eddy Goodwin noted the board members are asked to report on the activities of the external boards to which they have been appointed.

Commissioner Cole stated that the DSS Board will begin reviewing applications for the DSS director. He said the COA and Hospital Boards have not met.

Commissioner Belfield gave an update on the activities of the ARHS Board noting the finances were in good standing. He noted the region received \$50,000 in grant monies for the H1N1 preventative measures. He said the mosquito lab may be sold in a public auction; the bids for the building were too low and were rejected. He added the HVAC unit is in need of repair.

Commissioner Winborne asked if the H1N1 shots are available.

Mr. Belfield said no, only seasonal flu shots are available currently.

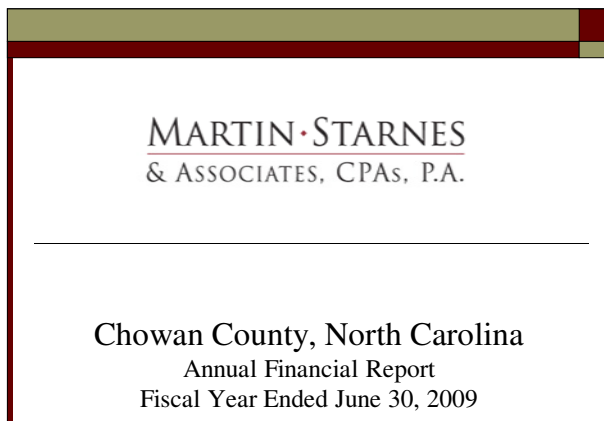
Commissioner Belfield noted the ALC Board met and accepted the County's offer to purchase the deed and then sell the property to the Boys and Girls Club. He said there is some equipment to be moved

Mr. Rascoe added that the survey is underway and after the Boards are satisfied with the survey a closing would be scheduled.

FY 08-09 Audit Report

The County's Auditor, Bryan Starnes with Martin Starnes and Associates presented the FY 08-09 Independent Audit with financial statements. He noted that the final audit would be emailed to staff to place online by Wednesday.

Mr. Starnes presented the following PowerPoint of the FY 08-09 Audit.



Audit Highlights

- ☐ Unqualified opinion
- ☐ Cooperative staff
- ☐ Internal control findings
- ☐ Prior period adjustments
- ☐ Positive fund balance in general fund
- ☐ "Health Care Reserve" and interfund loans eliminated

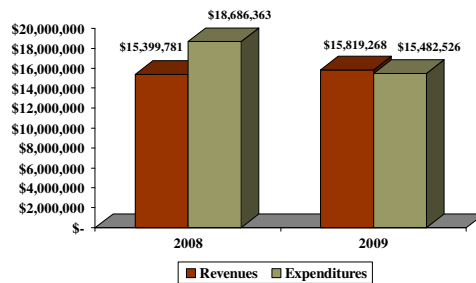
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Audit Process

- ☐ Planning and risk assessment
- ☐ Interim procedures
- ☐ Final procedures
- ☐ Year-round process

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General Fund Summary



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Fund Balance

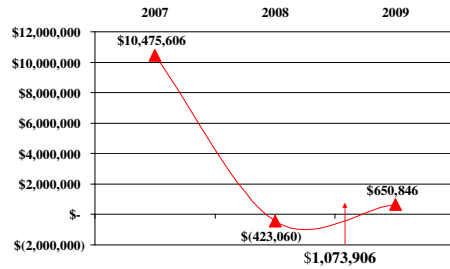
- Serves as a measure of the County's financial resources available

$$\text{Assets} - \text{Liabilities} = \text{Fund Balance}$$

- 3 Classifications:
 - ☐ Reserved
 - ☐ Unreserved Designated (Available)
 - ☐ Unreserved Undesignated (Available)

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Total Fund Balance General Fund



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Fund Balance Position General Fund

	<u>2009</u>	<u>2008</u>
Total Fund Balance	\$650,846	\$(423,060)
Required Reservations	<u>(650,846)</u>	<u>0</u>
Available fund balance	\$ 0	\$ 0

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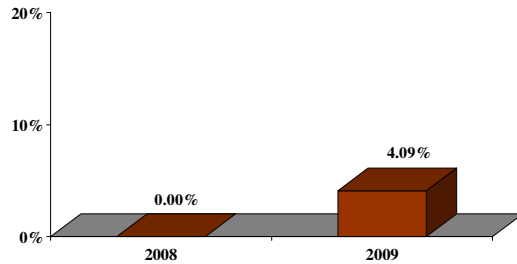
Fund Balance as a Percent of Expenditures General Fund

Total Fund Balance – GF (Numerator)
 Total Expenditures + Transfers out –GF (Denominator)

$$\frac{\$ 650,846}{15,902,270} = 4.09\%$$

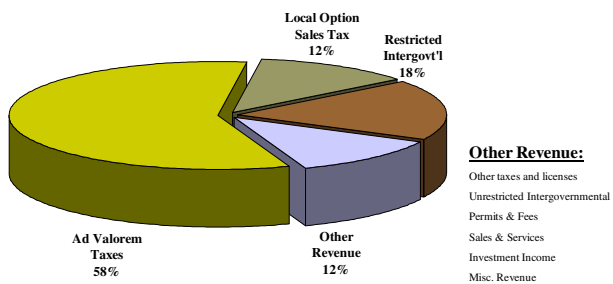
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Total Fund Balance as a Percent of Expenditures plus Transfers General Fund



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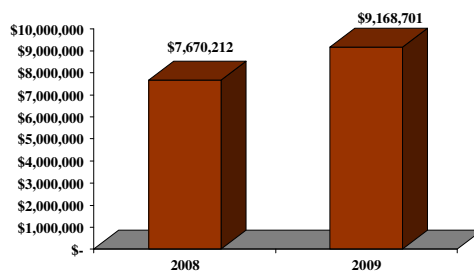
Top 3 Revenues: General Fund



Top 3 Comprise \$13,958,344 (88%) of Revenues

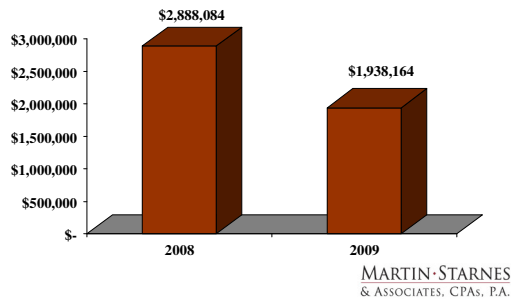
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Property Tax

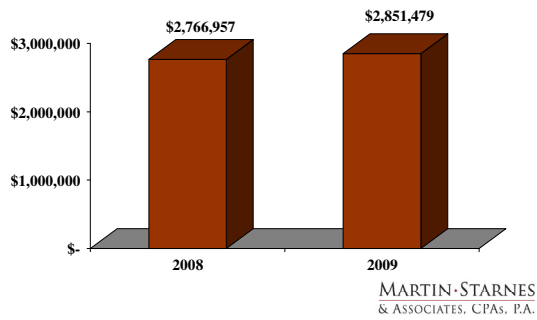


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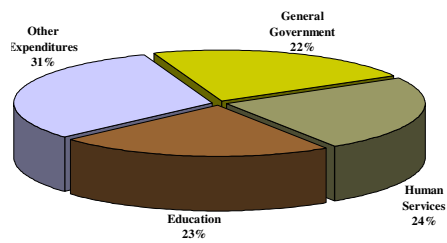
Sales Tax



Restricted Intergovt'l



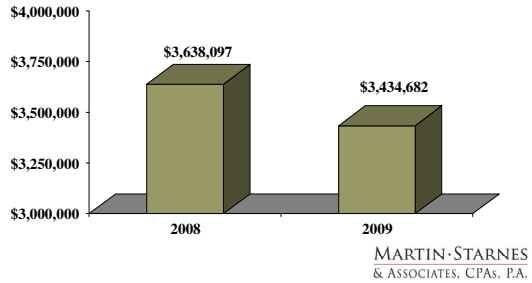
Top 3 Expenditures: General Fund



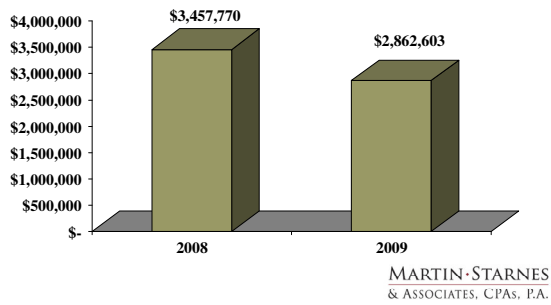
Expenditures Total \$15,482,526

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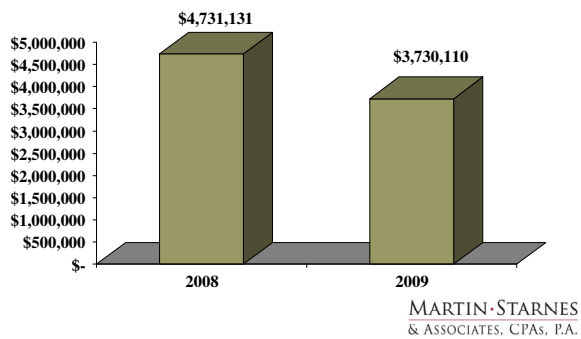
General Government Expenditures



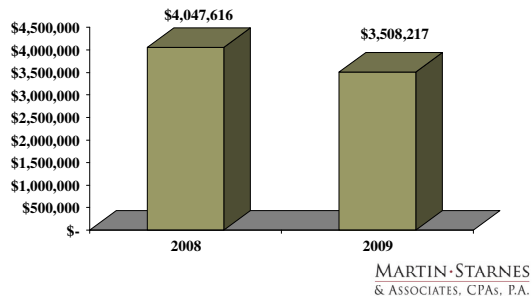
Public Safety Expenditures



Human Services Expenditures



Education Expenditures



Enterprise Fund – Water Fund

	<u>2009</u>	<u>2008</u>
Cash	\$ 0	\$ 0
Available Net Assets	98,675	215,676
Cash flow from operations	626,787	418,457
Debt service requirement 2010	13,340	14,500

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Enterprise Fund – Emergency Management Fund

	<u>2009</u>	<u>2008</u>
Cash	\$ 197,819	\$ 127,899
Available Net Assets	490,590	515,790
Cash flow from operations	156,171	n/a
Debt service requirement 2010	52,182	53,500

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Water Capital Reserve Funds

Cash Balances:

□ Storm preparedness	\$ 5,368
□ Water Development	\$ 451,112

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Discussion & Questions

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Chowan County, North Carolina
Annual Financial Report
Fiscal Year Ended June 30, 2009

Mr. Starnes stated the findings of his audit were that the budget needed enhancements but he found no misappropriations of funds. He said the County has a positive fund balance and has made a significant turnaround from previous years.

The Board performed an exercise with calculators for calculating fund balance. He added that based on the fund balance of the County, the Local Government Commission (LGC) would not approve any new debt for the County.

Commissioner Kenny Goodwin asked about the Water Capital Reserve Fund and asked if there was a cash balance.

Mr. Starnes said the monies were transferred.

Ms. Jones noted this money is for the generators project pay off she said she transfers this money in May after it accumulates all year.

Mr. Starnes said the balance does not show that it owes.

Ms. Jones said there is a capital project fund for this.

Commissioner Kenny Goodwin said he did not want to see that fund consolidated.

Chairman Eddy Goodwin asked when the LGC wants the audit to be submitted.

Mr. Starnes said it is due October 31st.

Chairman Eddy Goodwin noted that previous audits were not sent in until April or May. He thanked Mr. Starnes for his work in educating the Board and for his presentation of the audit. He asked if the public had any questions for Mr. Starnes, (there were none).

Finance Officer Report

Finance Officer Lisa Jones provided the Cash Balance Summary and Cash and Investment Balance information for the month of August noting a total of \$4,792,025 total cash and investments. She added that the bank and investment statements are available for the Board to review. She also provided the Board with an updated copy of the Long and Short term debt.

Recreation Annual Report

Robbie Laughton, Recreation Director gave a Power Point report on the past year's activities of the Recreation Department (a copy of the PowerPoint is in the meeting file labeled October 5, 2009).

Senior Center Annual Report

Connie Parker, Director gave a Power Point report on the past year's activities of the Senior Center (a copy of the PowerPoint is in the meeting file labeled October 5, 2009).

Manager's Report

Mr. Rascoe gave a report on the following topics:

- He will participate in interviewing DSS Director candidates along with the Human Resources Officer.
- County Planner, Wes Haskett has resigned and accepted a position as planner in the Town of Southern Shores. He said that staff will continue to carry on his duties in house and if needed help will be contracted. He noted this service is currently a joint effort of the Town and County.
- Representatives from the Board of Commissioners met with Town representatives to begin the process of obtaining an Economic Development consultant to review the Economic Development in Chowan County.

- The Administrative Facilities Study Committee is continuing to meet to discuss facility consolidation for COA and divestment of the County Office Building. The Committee will meet next Tuesday to receive a final report from COA.
- The state reduction of funding for probation and parole space has resulted in the County needing to terminate the leased space on October 31st. Representative Tim Spear is assisting the County in negotiating the facility or funding. He said the current challenge is finding suitable County owned space for these offices.
- Still no word on the VA Clinic from Mr. Russell. He will continue to try to contact him.
- East Carolina Behavioral Health's contract has now moved out of the building and the lease ends October 31, 2009.
- Previously discussed Special Order by Consent of the Valhalla Water Plant Discharge Permit violation, has been accepted. The plan is proposed for 5 years. The County's Engineer has reviewed the document and there will be cost involved to remedy the violation. There will be future discussions on this topic in November.

Timely and Important Matters

Commissioner Winborne asked about the proposed early closing of the convenience sites.

Mr. Rascoe said the budget adopted in May included the plan to begin closing the sites at 5:00pm beginning November 2nd (Daylight savings) resulting in a \$7,300 - \$7,500 savings.

Commissioner Winborne said he did not like the sites closing early and suggested that the Board consider closing the sites for an additional day.

Commissioner Kenny Goodwin said he serves on the PCG Board and they discussed cut backs. He said he missed the June meeting of the Board where a final vote took place. He said that he did not think it was fair to close early because many people haul their trash after work. He said he too preferred closing the site for an additional day.

Commissioner Winborne noted that one day closing is equal to \$20,000 but 2 hours is equal to \$7,400 per year.

Commissioner Nixon asked if there were any discussions on the traffic that comes to the sites after 5:00pm. He said he was concerned that people are just getting used to the Wednesday closings. He said 6:00pm may be more appropriate.

Commissioner Winborne said he did not feel that closing from 5pm-7pm was fair.

Chairman Eddy Goodwin asked if the public had any comments or suggestions.

Ed Britt asked about Sunday hours and possible closure.

Commissioner Kenny Goodwin said the traffic is heavier on the weekends.

Kim Goodwin suggested opening the sites at 8:00am rather than 7:00am.

Ed Britt said to pay for the difference; maybe the solid waste fee should be raised.

Connie Parker said that the morning traffic is always heavy at the sites.

Commissioner Nixon moved that the matter could be tabled to obtain more information to assist the Board in making a decision.

Chairman Eddy Goodwin said if the matter is budgetary, he did not want to put it off.

Being no further discussion, Chairman Eddy Goodwin asked for all in favor, the motion passed (6-1 E. Goodwin).

Executive Session

Commissioner Belfield moved that the Board hold a closed session pursuant to North Carolina General Statute §143-318.11(a) (6) for a personnel matter.

Chairman Eddy Goodwin asked for all in favor, the motion passed.

The minutes of the Executive Session will remain sealed.

Being no further business, the meeting was adjourned.

Edward C. Goodwin, Chairman

L. Susanne Stallings, Clerk